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*File*

LISTING STATEMENT No. 2130

LISTED MARCH 11, 1963  
5,000,000 shares of \$1.00 par value  
Ticker abbreviation "MTM"  
Dial Ticker number 607  
Post section 9.3

APR 1 1963

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

MARCHANT MINING COMPANY LTD.  
(No Personal Liability)

Incorporated under the Quebec Mining Companies' Act by  
Letters Patent dated 6th February, 1957

1. Address of the Company's Head Office and of any other offices:

100 d'Youville, Quebec City, Quebec, and also at  
Room 911, 85 Richmond Street West, Toronto, Ontario.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Joseph John Rankin	11 York Ridge Rd., Willowdale, Ontario.	Mining Executive
Managing Director	Robert LeRoy Segsworth	23 Errington Avenue, Toronto, Ontario	Mining Engineer
Secretary	Sidney Hamlin Robinson	47 Rosedale Road Toronto, Ontario.	Queen's Counsel
Treasurer	Walter Steuerman	630 Roselawn Ave., Apt. 209 Toronto, Ontario	Chartered Accountant

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Joseph John Rankin	11 York Ridge Road, Willowdale, Ontario.	Mining Executive
Robert LeRoy Segsworth	23 Errington Avenue, Toronto, Ontario.	Mining Engineer
Sidney Hamlin Robinson	47 Rosedale Road, Toronto, Ontario.	Queen's Counsel
Lewis B. Harder	535 Fifth Avenue, New York 17, N.Y.	Mining Executive
Robert C. Stanley, Jr.	3902 - 122 East 42nd St. New York 17, N.Y.	Mining Executive



4. Names and addresses of all transfer agents:

Chartered Trust Company,  
64 Wellington Street West,  
Toronto, Ontario.

5. Particulars of any fee charged upon transfer other than customary government taxes:

There is a 50¢ fee in respect to the issuance of each new certificate

6. Names and addresses of all registrars:

Chartered Trust Company,  
64 Wellington Street West,  
Toronto, Ontario.

7. Amount of authorized capital: \$5,000,000.00

8. Number of shares and par value: 5,000,000 shares of the par value of \$1.00 each.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

DATE	NUMBER OF SHARES	BRIEF DESCRIPTION
June 18, 1957	900,000	Peruvian Oils & Minerals, Limited, (700,000) A. B. Davidson (200,000)
September 10, 1957	275,000	Bill Melnik (137,500) John Manchelanko (137,500)
Total .....		1,175,000

The Company acquired mining claims under Development Licenses 34788 to 34791 inclusive, 33390 and 25835 covering Lots 6 to 17, Range V, Lamotte Township, Quebec, by exercise of an option agreement dated May 29th, 1957 between Bill Melnik and John Manchelanko as Optionors and Peruvian Oils & Minerals, Limited as Optionee (amended by further agreement dated May 21st, 1957) which option was assigned to the Company in consideration of the allotment and issue of 900,000 shares—700,000 shares to Peruvian Oils & Minerals, Limited and 200,000 shares to A. B. Davidson. The purchase consideration paid by the Company to said Melnik and Manchelanko for the said mining claims was the sum of \$40,000.00 and the allotment and issue of 275,000 shares — 137,500 shares to Bill Melnik and 137,500 shares to John Manchelanko.

10. Full details of all shares sold for cash.	DATE	NUMBER OF SHARES	PRICE PER SHARE	AMOUNT REALIZED BY COMPANY
	Feb. 19, 1957	5	\$1.00	\$ 5.00
	June 18, 1957	600,000	0.15	90,000.00
	June 19, 1957	500,000	0.25	125,000.00
	July 3, 1957	20,000	0.20	4,000.00
	Aug. 26, 1957	5,000	0.20	1,000.00
	Jan. 25, 1960	200,000	0.15	30,000.00
	Aug. 29, 1960	100,000	0.15	15,000.00
	Oct. 31, 1961	40,000	0.25	10,000.00
	Mar. 9, 1962	160,000	0.25	40,000.00
	Mar. 30, 1962	25,000	0.45	11,250.00
	April 27, 1962	100,000	0.60	60,000.00
	June 1, 1962	25,000	0.45	11,250.00
	Nov. 14, 1962	15,000	0.45	6,750.00
	Nov. 19, 1962	35,000	0.45	15,750.00
	Total .....	1,825,005		\$420,005.00
11. Total number of shares issued.	3,000,005			
12. Number of shares now in treasury or otherwise unissued.	1,999,995			
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	NIL			
14. Date of last annual meeting.	June 23, 1960			
15. Date of last report to shareholders.	December 31, 1961			
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	NIL			



17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	NIL										
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	NIL										
19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	NIL										
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	NIL										
21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>The Company's transfer agent advises that as of February 15th, 1963 the five largest registered shareholders were as follows:</p> <table> <tr> <td>East Malartic Mines Limited, 602-199 Bay Street, Toronto, Ontario.</td><td>1,500,000</td></tr> <tr> <td>Davidson &amp; Company, 25 Adelaide Street West, Toronto, Ontario.</td><td>307,200</td></tr> <tr> <td>Bay &amp; Co., #1 Account, 51 King Street West, Toronto, Ontario.</td><td>109,000</td></tr> <tr> <td>Doherty Roadhouse &amp; Co. 335 Bay Street, Toronto, Ontario.</td><td>96,050</td></tr> <tr> <td>John C. L. Allen Limited, 199 Bay Street, Toronto, Ontario.</td><td>78,600</td></tr> </table> <p>With the exception of East Malartic Mines Limited, which is the beneficial owner of shares shown against its name, the Company is not aware of beneficial owners of other shares shown above.</p>	East Malartic Mines Limited, 602-199 Bay Street, Toronto, Ontario.	1,500,000	Davidson & Company, 25 Adelaide Street West, Toronto, Ontario.	307,200	Bay & Co., #1 Account, 51 King Street West, Toronto, Ontario.	109,000	Doherty Roadhouse & Co. 335 Bay Street, Toronto, Ontario.	96,050	John C. L. Allen Limited, 199 Bay Street, Toronto, Ontario.	78,600
East Malartic Mines Limited, 602-199 Bay Street, Toronto, Ontario.	1,500,000										
Davidson & Company, 25 Adelaide Street West, Toronto, Ontario.	307,200										
Bay & Co., #1 Account, 51 King Street West, Toronto, Ontario.	109,000										
Doherty Roadhouse & Co. 335 Bay Street, Toronto, Ontario.	96,050										
John C. L. Allen Limited, 199 Bay Street, Toronto, Ontario.	78,600										
22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.	<p>East Malartic Mines Limited, Room 602, 199 Bay Street, Toronto.</p>										
23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	<p>A prospectus of the Company dated April 16, 1962 was accepted for filing by the Ontario Securities Commission on April 18, 1962 and by the Quebec Securities Commission on April 19, 1962.</p> <p>An application for registration as a security issuer was granted by the Quebec Securities Commission on April 30, 1962.</p>										
24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	NO										
25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	The Company has no bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.										



26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<div>ADVANCES TO AND SHARE INTEREST IN OTHER COMPANIES</div> <table><thead><tr><th></th><th>BOOK VALUE</th><th>MARKET VALUE FEB 15/63</th></tr></thead><tbody><tr><td>1,500,000 Shares Marbridge Mines Limited</td><td>\$119,039</td><td>No Market (See answer to Item No. 27)</td></tr><tr><td>Advances to Marbridge Mines Limited</td><td>154,105</td><td></td></tr><tr><td></td><td><u>\$273,144</u></td><td></td></tr><tr><td>150,000 Shares Marmattagami Mines Ltd.</td><td>\$ 8,279</td><td>No Market</td></tr><tr><td>Advance to Marmattagami Mines Ltd.</td><td>1,301</td><td>(See answer to Item No. 27)</td></tr><tr><td></td><td><u>\$ 9,580</u></td><td></td></tr></tbody></table>				BOOK VALUE	MARKET VALUE FEB 15/63	1,500,000 Shares Marbridge Mines Limited	\$119,039	No Market (See answer to Item No. 27)	Advances to Marbridge Mines Limited	154,105			<u>\$273,144</u>		150,000 Shares Marmattagami Mines Ltd.	\$ 8,279	No Market	Advance to Marmattagami Mines Ltd.	1,301	(See answer to Item No. 27)		<u>\$ 9,580</u>	
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Advance to Marmattagami Mines Ltd.	1,301	(See answer to Item No. 27)																						
	<u>\$ 9,580</u>																							
27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:  (a) Properties owned where titles vested in Company.  (b) Properties leased.  (c) Properties otherwise held.	<div>(a) Nil</div> <div>(b) Nil</div> <div>(c) (i) MARBRIDGE MINES LIMITED The Company was the owner of 16 mining claims under Development Licenses Numbers 34788 to 34791 inclusive, 33390, 25835 covering Lots 6 to 17 inclusive, Range V, and Development Licenses Numbers 138754 and 141281 covering Lots 16 to 19 Range IV, all in La Motte Township, County of Abitibi East, Quebec. The Company and Falconbridge Nickel Mines Limited entered into an Agreement dated May 18, 1960, under the terms of which said 16 mining claims have been transferred to Marbridge Mines Limited. Marbridge Mines Limited entered into a further Agreement with Canadian Malartic Gold Mines Limited for the treatment of ores from these properties. For ore potential and reserves see geologist's report of A. W. Derby, P. Eng. dated January 19th, 1963 filed herewith. The Company owns 50% of Marbridge Mines Limited and the remaining 50% is owned by Falconbridge Nickel Mines Limited. Pursuant to the aforesaid Agreement of May 18, 1960, Falconbridge Nickel Mines Limited has advanced all monies required to bring the properties into production, and all monies necessary for the expansion and modification of ore treatment facilities at Canadian Malartic Gold Mines Limited to treat the ore of Marbridge Mines Limited; all monies loaned by Falconbridge Nickel Mines Limited to Marbridge Mines Limited and \$43,531.00 the sum expended prior to the incorporation of Marbridge Mines Limited by Falconbridge Nickel Mines Limited is to be repaid to Falconbridge Nickel Mines Limited by Marbridge Mines Limited without interest out of the first net proceeds from the production of Marbridge Mines Limited. After Marbridge Mines Limited has repaid Falconbridge Nickel Mines Limited as aforesaid, Marbridge Mines Limited will pay out of net proceeds from Production to Marchant Mining Company Limited the sum of \$154,105.00 being the amount heretofor expended by the Company on or in connection with these mining claims. No dividends are to be paid by Marbridge Mines Limited until all accounts owing to Falconbridge Nickel Mines Limited and Marchant Mining Company Limited have been paid in full. The properties have been in production since June 1st, 1962 and according to information received from Marbridge Mines Limited the estimated operating profit before pre-production expenditures and depreciation amounted to \$937,065.63 for the seven months period ending December 31, 1962. (ii) MARMATTAGAMI MINES LIMITED The Company and Martin-McNeely Mines Limited acquired 10 contiguous mineral claims located in the southwest portion of Isle Dieu Township, Quebec. These claims are under Development Licenses Numbers 34257 and 34258. These claims were optioned from the Mattagami Syndicate jointly by the Company and the said Martin-McNeely Mines Limited. Marmattagami Mines Limited was formed in 1960 to acquire this property. These 10 claims were transferred to Marmattagami Mines Limited in consideration of 750,000 shares of Marmattagami Mines Limited of which 450,000 shares were allotted to the Mattagami Syndicate, 150,000 shares to Martin-McNeely Mines Limited and the remaining 150,000 shares to Marchant Mining Company Limited. (iii) WATSON LAKE CLAIM GROUP The Company is the registered holder of 15 mining claims under Development Licenses Numbers 168641 to 168643 inclusive in Cavalier Township and Daniel Township in the County of Abitibi East, Province of Quebec.</div>																							
28. Full particulars of any royalties or other charges payable upon production from each individual property.	There are no royalties or other charges payable upon production from any of the Company's properties.																							
29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.	NONE																							



30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	NOT APPLICABLE
31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.	On December 10th, 1962 an action was instituted against the Company by a William E. Rogan who claims \$2,000.00 plus the value at the time of judgment of 58,750 shares of Marchant as a finder's fee for property acquired in 1957. The Company denies this claim.
32. Describe plant and equipment on property or properties.	There is no plant and equipment on properties owned by the Company.
33. Describe all development accomplished and planned.	<p>(1) From commencement of production June 1st 1962 to Jan. 31st 1963 an amount of 93,702 tons of ore from Marbridge Mines Ltd., has been milled.</p> <p>(2) No further work is planned currently on the Claims of Mar-mattagami Mines Ltd. Sufficient work has been done to keep its Claims in good standing for a minimum of two years.</p> <p>(3) No further work is planned on the Watson Lake Claims at the present time. Sufficient work has been done to keep these Claims in good standing for a minimum of two years.</p>
34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	Report on Marchant Mining Company Limited by A. W. Derby, P. Eng. dated January 19th, 1963 filed herewith.
35. Full particulars of production to date.	There has been no production from the Company's own properties to date.
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	No dividends have been paid to date.
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Holden, Murdoch, Walton, Finlay, Robinson & Pepall, Barristers & Solicitors, 2402 - 44 King Street West, Toronto 1, Ontario.
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.  (b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.  (c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	<p>(a) All of the Company's shares are listed on the Canadian Stock Exchange.</p> <p>(b) NO</p> <p>(c) A listing application dated May 19, 1960 was refused by The Toronto Stock Exchange on the ground that ore reserves of Marbridge Mines Ltd., were insufficient at that time.</p>



39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>Joseph John Rankin has been Vice-President and Managing Director of Peruvian Oils &amp; Minerals, Limited and President of Ranworth Explorations Ltd. since October 31, 1957 and was Manager of exploration and development for Conwest Exploration Company.</p> <p>Robert LeRoy Segsworth has been carrying on the practice of Consulting Engineer in the City of Toronto, and has been Vice-President of Ranworth Explorations Ltd.</p> <p>Sidney Hamlin Robinson has been engaged in the practice of law as a partner in the law firm of Holden, Murdoch, Walton, Finlay, Robinson &amp; Pepall, Barristers &amp; Solicitors, Toronto.</p> <p>Lewis B. Harder has been engaged in business as a Mining Executive and since 1955 has been President of South American Gold and Platinum Company, and since 1958 has been Chairman of the Board of International Mining Corporation, and since 1962 has been Chairman of the Board of Molybdenum Corporation of America.</p> <p>Robert C. Stanley Jr. has been engaged in business as a Mining Executive and for the past five years has been President and a director of Lake Shore Mines Limited, Wright Hargreaves Gold Mines Limited, East Malartic Mines Limited (No Personal Liability), Barnat Mines Ltd. (N.P.L.) and other Mining Companies, and has been a director of Little Long Lac Gold Mines Limited and its associated companies.</p> <p>Walter Steurman. From April 1959 to June 1959 was employed as a Chartered Accountant with the firm of Riddell, Stead, Graham &amp; Hutchison, Toronto. From June 1959 to October 1960 was employed as a Chartered Accountant with William Buckley &amp; Company, Toronto. From October 1960 to the present engaged as office manager of Ranworth Explorations Ltd. and is Treasurer of Peruvian Oils and Minerals Limited.</p>
40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.	NONE
41. Any other material facts not disclosed in the foregoing.	NONE

STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL  
as of March 1st, 1963

FREE STOCK	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	2,890,500
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	109,505
Total free stock	3,000,005
ESCROWED OR POOLED STOCK	
(c) Held in escrow or pool as set out in Item 19 of this application	Nil
Total issued capital	
RECORD OF SHAREHOLDERS	
Number of registered shareholders holding shares in class (a) above	293
Number of registered shareholders holding shares in class (b) above	6
Number of registered shareholders holding shares in class (c) above	Nil

Dated at Toronto the 1st day of March 1963

MARCHANT MINING COMPANY LTD. (No Personal Liability)



"JOSEPH J. RANKIN",  
President

"S. H. ROBINSON",  
Secretary

STATEMENT SHOWING NUMBER OF SHAREHOLDERS  
as of March 1st, 1963

Number	Shares
22 Holders of ..... 1 — 100 shares .....	1,597
160 " " ..... 101 — 1000 " .....	101,508
40 " " ..... 1001 — 2000 " .....	69,900
17 " " ..... 2001 — 3000 " .....	47,000
8 " " ..... 3001 — 4000 " .....	29,800
15 " " ..... 4001 — 5000 " .....	74,300
37 " " ..... 5001 — up " .....	2,675,900
299 Shareholders	Total Shares 3,000,005



# FINANCIAL STATEMENTS

MARCHANT MINING COMPANY LTD.

(No Personal Liability)

(Incorporated under the Laws of the Province of Quebec)

BALANCE SHEET AS AT DECEMBER 31, 1962

(With 1961 figures for comparison)

## ASSETS

CURRENT ASSETS:	1962	1961
Cash .....	\$ 82,959	\$ 6,217
Accrued Interest .....	915	-
Prepaid expense .....	125	125
Total current assets .....	<u>83,999</u>	<u>6,342</u>
INVESTMENT IN MARBRIDGE MINES LIMITED, 50% OWNED COMPANY:		
1,500,000 shares — at cost .....	119,039	119,039
Advance .....	154,105	154,105
	<u>273,144</u>	<u>273,144</u>
INVESTMENT IN MARMATTAGAMI MINES LTD.:		
150,000 shares — at cost .....	8,279	8,279
Advance .....	1,301	1,213
	<u>9,580</u>	<u>9,492</u>
MINING CLAIMS HELD UNDER DEVELOPMENT LICENCES —at cost (acquired for cash) .....	1,397	1,397
INTEREST IN OIL AND GAS PERMITS IN THE MACKENZIE MINING DISTRICT — at cost .....	129	129
EQUIPMENT — at cost .....	<u>4,964</u>	<u>4,964</u>
DEPOSIT - PROVINCE OF QUEBEC SECURITIES COMMISSION — at cost .....	993	963
EXPLORATION AND DEVELOPMENT COSTS — Schedule 1 (Note 3) .....	15,281	64,638
Total .....	<u>\$389,487</u>	<u>\$361,069</u>

## LIABILITIES

CURRENT LIABILITIES:	1962	1961
Accounts payable and accrued charges .....	\$ 2,818	\$ 4,118
6% note payable .....	-	30,000
Total current liabilities .....	<u>2,818</u>	<u>34,118</u>
CAPITAL STOCK LESS DEFICIT:		
Capital stock (Note 1):		
Authorized — 5,000,000 common shares of a par value of \$1 each		
Issued and outstanding — 3,000,005 shares (1961 — 2,640,005 shares) .....	537,505	392,505
Deficit — .....	(150,836)	(65,554)
Total capital stock less deficit .....	<u>386,669</u>	<u>326,951</u>
Total .....	<u>\$389,487</u>	<u>\$361,069</u>

The accompanying notes are an integral part of this statement.

Signed on behalf of the Board:

“J. J. RANKIN”  
Director

“S. H. ROBINSON”  
Director

## AUDITORS' REPORT

To the Shareholders of  
Marchant Mining Company Ltd.:

We have examined the balance sheet of Marchant Mining Company Ltd. (No Personal Liability) as at December 31, 1962 and the statement of profit and loss and deficit for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statement of profit and loss and deficit are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied, except as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

"DELOITTE, PLENDER, HASKINS & SELLS"

Chartered Accountants.

Toronto, Ontario.  
January 10, 1963.

### MARCHANT MINING COMPANY LTD. (No Personal Liability)

#### STATEMENT OF PROFIT AND LOSS AND DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1962

##### GENERAL AND ADMINISTRATIVE EXPENSE:

Accounting and office services .....	\$ 5,230
Engineers' and consulting fees .....	3,700
Legal and audit .....	2,108
Prospectus, listing and filing fees .....	8,558
Reports to shareholders .....	4,648
Other general expenses .....	2,866
Total general and administrative expense.....	27,110
DEDUCT INCOME FROM INVESTMENTS .....	958
NET LOSS FOR THE YEAR .....	26,152
DEFICIT, DECEMBER 31, 1961 .....	65,554
	91,706

##### ADD:

General and administrative expenses to December 31, 1961		
(Note 3) .....	\$55,899	
Less miscellaneous income to December 31, 1961 (Note 3) .....	2,601	
	53,298	
Expenditures on abandoned projects .....	5,832	539,130
DEFICIT, DECEMBER 31, 1962 .....		\$150,836

The accompanying notes are an integral  
part of this statement.



MARCHANT MINING COMPANY LTD.

(No Personal Liability)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1962

1. Capital Stock Issued and Outstanding:

	1962			1961
	NO. OF SHARES	DISCOUNT	NET	NET
Balance beginning of year:				
Issued for property .....	1,175,000	\$1,057,500	\$117,500	\$117,500
Issued for cash .....	1,465,005	1,190,000	275,005	265,005
	2,640,005	2,247,500	392,505	382,505
Issued during the year for cash .....	360,000	215,000	145,000	10,000
Balance end of year .....	3,000,005	\$2,462,500	\$537,505	\$392,505

2. The company is contingently liable in connection with an action by a former employee to recover a finder's fee relating to property acquired in 1957. The company denies the claim. The disputed claim is for \$2,000 plus the value of 58,750 shares of the company as of the date judgment is handed down.
3. In 1962 the company changed its method of accounting to the extent that general and administrative expenses, less miscellaneous income, formerly carried as part of "Exploration and Development Cost", were charged to profit and loss. The December 31, 1961 balances in these accounts were transferred to deficit in 1962.

SCHEDULE 1

MARCHANT MINING COMPANY LTD.

(No Personal Liability)

SCHEDULE OF EXPLORATION AND DEVELOPMENT COSTS

FOR THE YEAR ENDED DECEMBER 31, 1962

	BALANCE DECEMBER 31, 1961	EXPENDITURE DURING 1962	BALANCE DECEMBER 31, 1962
Diamond drilling .....	\$10,244	\$ -	\$10,244
Geophysical surveying .....	11,548	-	11,548
Engineers' and geologists' fees .....	4,486	624	5,110
Salaries and wages .....	16,762	352	17,114
Property examination .....	-	420	420
Travel and transportation .....	21,386	336	21,722
Telephone, telegraph, postage and bank charges .....	443	40	483
Licences, fees, maps and prints .....	1,854	251	2,105
Maintenance of equipment .....	1,653	-	1,653
Participation in prospecting projects .....	-	7,750	7,750
Supplies .....	4,234	-	4,234
Other development expenses .....	3,465	-	3,465
	76,075	9,773	85,848
Less expenditure on abandoned projects written off .....	64,735	5,832	70,567
	<u>\$11,340</u>	<u>\$3,941</u>	<u>\$15,281</u>



# ENGINEER'S REPORT

ON

## MARCHANT MINING COMPANY LTD.

### SUMMARY

The Marchant Mining Company holds interests in Marbridge Mines Ltd. and Marmattagami Mines Ltd. The company also holds 15 mining claims on the south-west shore of Watson Lake in Cavalier Township in North Western Quebec.

### MARBRIDGE MINES LTD.

Production of 69,383 tons of ore during the period of June 1 to December 1, 1962 indicates an operating profit of \$11.54 per ton or a total of \$800,866.51 before preproduction expenses, depreciation and taxes are included. A yearly operating profit of approximately \$1,600,000. is estimated at present price of nickel and continuance of a 400-ton per day production.

### MARMATTAGAMI MINES LTD.

A block of 10 claims are held by this company in the Isle Dieu Township, Quebec. These are located approximately 1½ miles from Mattagami Lake Mines. Two diamond drill holes were drilled on geophysical anomalies in 1960, but no significant mineralization was intersected. Sufficient assessment work has been completed to hold the claims pending possible favourable developments in the general area.

### WATSON LAKE CLAIM GROUP

Limited exploration, including one diamond drill hole, has been completed on this group. The ground is favourably located with respect to similar geological conditions on the Mattagami Lake Mines and Orchan Mines. The ground will be held pending developments.

## REPORT ON MARBRIDGE MINES LTD.

### PROPERTY, LOCATION AND ACCESS

Marbridge Mines Ltd. property consists of 16 mining licenses under Development Licence numbers 34788 to 34791 inclusive, 33390, 25835 covering lots 6-17 inclusive, Range V and Development Licence numbers 138754 and 141281 covering lots 16 to 19, Range IV, all in LAMOTTE TOWNSHIP, County of ABITIBI EAST, QUEBEC.

The property is located approximately 45 miles east of Noranda. Access is by Highway 61 to a point 2 miles south of the Village of LaMotte where a secondary road along the south boundary of Range IV and thereon northward leads to the property.

### GEOLOGY

The Marbridge ore body occurs in a series of early pre-cambrian altered volcanics, sediments and peridotite. These have been intersected by a variety of acidic and later basic dikes.

The ore body is a composite body of massive and disseminated sulphides, chiefly pyrrhotite and pentlandite with minor chalcopyrite. The disseminated sulphides apparently were injected along a shear zone which was subsequently again sheared and the massive type of sulphides injected. The principal ore controls appear to be the shearing and the proximity to the peridotite or gabbro.

The ore body forms an irregular, tabular or vein-type of deposit striking N. 50°W. and dipping 50°-55° North-East and raking east at approximately 45°. The ore zone has a length of approximately 400 feet and varies in width widely, dependent on rolls or changes in dip of the ore body. From the surface to the 300' level, the widths are generally in the 4' to 13' range. Between the 350 and 450 levels the thickness increases locally to as much as 35'. Below the 450-foot level, the widths appear to be more regular and vary in width, mostly in the 5'-25' range. The average calculated width in ore reserve calculations made by the writer is 10.7 feet, including dilution.

Exploration and development work has proven the downward continuation of the ore body to the 900-foot level. Current diamond drill hole exploration from that level has indicated similar material to the ore zone at depth. This program is still in progress and complete details of the program are not available, but results to date indicate clearly that the zone continues to a minimum depth of 1050 feet.

In addition to probable additional ore on the projected downward plunge of the known ore shoots, chances for other ore shoots exist. Falconbridge Nickel Mines recently completed a detailed geological mapping of the property under the direction of Dr. L. A. Clark of McGill University. Two specific areas, one 600 feet north-west of the ore shoot and one 900 feet east were recommended for investigation. It is understood that the initial plan of this investigation, including magnetometer and electromagnetic surveys, is in progress. Possible success of this program cannot be gauged, but the presence of favourable geological structures and rock types indicate that the exploration potential should not be discounted.



HISTORY AND WORK DONE

Marchant Mining acquired the property in 1957. Geophysical surveys were made and a diamond drilling program of 44 holes, totalling 20,147 feet was completed. A nickel orebody was discovered and explored during this work.

In 1959, the property was optioned to Falconbridge Nickel Mines Limited and 16 holes with a total of 8,971 feet were drilled. Falconbridge exercised the option and Marbridge Mines was incorporated to acquire and develop property with management rights vested in Falconbridge. Under the terms of the agreement, the 16 mining claims were transferred to Marbridge Mines Ltd. and Marbridge Mines Ltd. entered into a further agreement with Canadian Malartic Gold Mines Limited for treatment of the ores from the property. Marbridge Mines Ltd. was incorporated with a capitalization of 3,000,000 shares of which Marchant Mines and Falconbridge each received 1,500,000 shares.

Pursuant to the terms of the deal between Falconbridge and Marchant, Falconbridge Nickel Mines has advanced all monies required to bring the property into production and all monies necessary for the expansion and modification of treatment facilities at Canadian Malartic Gold Mines Ltd. for the ore from Marbridge Mines Ltd., plus such additional monies as have been required for working capital prior to receipt of smelter settlements. It was further agreed the monies expended by Falconbridge Nickel Mines, (\$43,531.00), on the property prior to the incorporation of Marbridge Mines Ltd. was to be repaid out of the first net proceeds from the production of Marbridge Mines Ltd. After Marbridge Mines Ltd. repaid Falconbridge Nickel Mines as aforesaid, Marbridge Mines Ltd. pays out of net proceeds to Marchant Nickel Mines Ltd. the sum of \$154,105.00, being the amount heretofore expended by Marchant on, or in connection with, these mining claims. No dividends are to be paid by Marbridge Mines Ltd. until Marchant Mining Company and Falconbridge Nickel Mines Ltd. have been paid in full.

Underground development includes shaft sinking to 959 feet with levels established on the 150, 300, 450, 600, 750 and 900-foot horizons. Lateral work on these levels includes cross-cutting, drifting, raising and other development requisite for mine production. The mine has been in production since June 1, 1962 at a rate of approximately 400 tons per day. Milling started in March 1962 and included a tune-up period until regular production started on June 1, 1962. A total of 69,363 tons are reported to have been treated during the period June 1 to December 1, 1962 with an average grade of 2.2% nickel. The three upper levels have supplied the bulk of the ore. The third and fourth levels are currently being mined while the fifth is being prepared for mining, and development work is in progress on the 6th level. A diamond drilling program from this level is in progress to explore the downward extension of the ore zone.

The ore lens has an approximate average length of 300 feet on the levels developed with a maximum length of 350 feet on the second level. Mining is by shrinkage stoping. A total of 58,637 tons of broken ore are reported as of December 1, 1962.

ORE RESERVES

Ore reserves have been calculated by the writer based on an underground examination supplemented by results of engineering data furnished by Falconbridge Nickel Mines staff. "Positive" ore reserves to the 750-foot level have been estimated to be 345,338 tons with an average grade of 2.3% nickel allowing a dilution factor of 25 per cent. Calculations are based on the results of sampling of drifts, cuts and limited test hole drilling on the upper five levels. There has been no regular diamond drilling between levels and no regular pattern of stope sampling has been followed. A total of 69,383 tons of ore are reported to have been treated as of December 1, 1962, leaving a balance of 275,955 tons of positive ore above the 750-foot level.

Current exploration on the bottom or 900-foot level is not complete. Partial results of this work indicate a minimum length of 200 feet, an average width of 5.5 feet and a grade of 3.02% nickel, as calculated by the writer. Results of test hole drilling in the walls are not complete, but indicate that the average width will be greater than that calculated to date. Based on the results to date, a tonnage of "probable" ore from the 750-900-foot levels is calculated to be 37,422 tons with an average grade of 2.45% nickel, allowing 25% for dilution.

Test hole drilling in the walls of the drifts and cross-cuts on all levels has not been sufficiently closely spaced to delimit the exact boundaries of the ore. Examination of the underground developments and of the engineering results to date indicate that actual tonnage mined will be greater than that calculated above as "positive" ore. It is estimated that this additional tonnage of "probable" ore is approximately 50,000 tons to the 900-foot level.

The following tabulation summarizes the ore reserve situation:

"Positive" ore to 750-foot level .....	345,338 tons
Less ore treated to Dec. 1, 1962 .....	69,383 tons
Positive ore remaining to 750-level .....	275,955 tons
"Probable" ore 750-900 level .....	37,422 tons
Additional "Probable" ore, all levels to 900 .....	50,000 tons
Total .....	363,377 tons

or a total of "positive" and "probable" ore to the 900-foot level of 432,760 tons indicated prior to the start of production or approximately 480 tons per vertical foot.



A program of diamond drilling to test below the 900-foot level has been initiated. The first three holes of this program have cut the ore zone at approximately 60 feet below the level. Results obtained in these holes are as follows: Hole No. 905—1.9 feet of 4.4% nickel; Hole No. 906—6.7 feet of 6.4% nickel and No. 907—4.7 feet of 2.36% nickel.

A second tier of holes has been completed to intersect the zone at approximately the 1050 level. Results of these holes are as follows: Hole No. 922—1.61% nickel for 10.7 feet; Hole No. 923—3.36% nickel for 1.2 feet and Hole No. 924—1.56% nickel for 1.0 feet.

A third tier of holes is in progress to intersect the downward continuation of the ore zone at approximately 1200 feet. Results of two holes are as follows: Hole No. 925, started as a vertical hole, assayed 5.12% for a core length of 1.1 feet at a depth of 278 feet below the 900 foot level. The second hole of this tier, No. 926, was angled out to cut the ore zone some 70-80 feet northwest of that cut in No. 925. Assay results show a core length of 22.0 feet assaying 1.77% nickel.

Additional drilling is planned to further check the downward continuation of the ore zone. Data available to date is not sufficient to calculate tonnage or grade. Results of the drilling of the three tiers of holes to date firmly established that the ore zone continues to a minimum depth of 1200 feet vertically with mineable grades and widths of ore indicated.

## PRODUCTION AND FINANCES

The initial 6 month period of production, including June 1, 1962 to December 1, 1962, resulted in the treatment of 69,383 tons of ore with an estimated value of \$1,445,720.99. Total cost of production was \$644,854.48. An operating profit of \$800,866.51 is indicated for this period before preproduction expenses, depreciation and taxes are included.

The maximum advance made by Falconbridge Nickel Mines Ltd., as per agreement, was \$1,901,324.29 as of September 30, 1962. This includes the cost of bringing the property into production plus required working capital pending receipt of smelter settlements. The deferred accounts payable to shareholders at that date was as follows:

Falconbridge Nickel Mines—advances	\$1,901,324.29
Falconbridge moneys expended on property, prior to incorporation of Marbridge .....	43,531.00
Marchant Mining Company Ltd.— moneys spent on property .....	154,105.00
	<u>\$2,098,960.29</u>
Estimated smelter settlement receivable at Sept. 1, 1962 .....	1,331,534.94
Balance of payments due shareholders	<u>\$ 767,425.35</u>

The financial statement to December 1, 1962 (latest available) of the deferred accounts payable to shareholders, as follows:

Falconbridge Nickel Mines Advances for production	\$1,777,340.45
Falconbridge Nickel Mines Prior to incorporation of Marbridge .....	43,531.00
Marchant Mining Co. ....	154,105.00
	<u>\$1,974,976.45</u>
Estimated smelter settlements receivable .....	1,469,714.08
	<u>\$ 505,262.37</u>

The operating profit for the period from June 1 to December 1, 1962 is estimated to be \$800,866.51 or an average of \$133,427.75 per month. This should remain reasonably constant at that rate and thus the deferred accounts to shareholders of \$505,262.37 should be satisfied in 4 months or by the end of March 1963.

Operating profit calculated for 69,383 tons is \$800,866.51 or \$11.54 per ton for the period from June 1, 1962 to December 1, 1962. The calculated "positive" tonnage remaining above the 750-foot level is estimated to be 275,955 tons with an indicated operating profit of \$3,184,520.70. An operating profit of \$800,866.57 is reported for the tonnage treated to December 1, 1962, so that a total operating profit of \$3,985,387.21 is indicated for the total "positive" tonnage indicated to the 750-foot level. This does not include the additional 87,442 tons of indicated "probable" ore to the 900-foot level, described above. Additional development is required before this can be regarded as "positive" ore, but present indications are that substantial operating profit can be expected from this block of "probable" ore.



It is expected that an additional two levels will be sunk during the current year, at an estimated cost of approximately \$90,000. Development on previous levels has been included as an operating cost hence the shaft sinking cost is the only foreseeable addition to current costs. Except for this, operating profit rate should continue at a rate of approximately \$133,000. per month under continuing present conditions.

#### REPORT ON PROPERTY OF MARMATTAGAMI MINES LTD.

##### PROPERTY — LOCATION AND ACCESS

The property consists of 10 contiguous mineral claims held under Development Licences No. 11862 and 118637. The claims are located in Isle Dieu Township, approximately 1½ miles north of Mattagami Mines Ltd. The recently completed road to New Hosco Mines passes approximately a mile from the Marmattagami property.

##### HISTORY AND WORK DONE

The claims were optioned from Mattagami Syndicate in 1958 and the company formed in 1960 to acquire the property.

Limited geophysical work and 1,238 feet of diamond drilling have been completed on the property.

##### RESULTS AND CONCLUSIONS

Diamond drilling on two separate magnetic anomalies indicated gabbro with minor sulphide mineralization. There are sufficient assessment work credits available to hold the ground pending possible favourable exploratory results in the general area.

#### REPORT ON WATSON LAKE GROUP

Marchant Mines owns 15 contiguous claims in Cavelier Township, North Western Quebec. The claim group is located on the south-west shore of Watson Lake in the Mattagami Lake area. The claims are held under Development Licences 168,641, 168,642 and 168,643.

A magnetic survey and a reconnaissance electromagnetic survey were made, but did not indicate any significant anomalous conditions. One cross-section diamond drill hole was completed to a depth of 1,875 feet. This hole intersected intermediate and acidic volcanics cut by acidic and gabbroic dikes. Minor pyrite mineralization was located.

Exploration and development on claims to the east indicate the possibility of the favourable geological horizons, with which mineralization is associated might occur at depth on the Marchant claims. Sufficient assessment work has been completed to hold the claims. This will be done pending possible favourable exploratory results in the general area.

Respectfully submitted,

A. W. Derby, P. Eng.

Toronto, Ontario.

January 19, 1963.



## ENGINEER'S CERTIFICATE

I, A. W. DERBY of the City of Toronto in the Province of Ontario, hereby certify.

1. That I am a practising geologist and reside in the City of Toronto, Province of Ontario, residing at 255 Heath Street East, Toronto, Ontario.
2. That I am a graduate in Economic Geology at the University of Toronto, obtaining the degree of Doctor of Philosophy in 1934.
3. That I am a member of the Association of Professional Engineers of the Province of Ontario and the Geological Association of Canada.
4. That I have been practising my profession of Geologist for over twenty years.
5. That I have no direct or indirect interest, nor do I expect to receive any interest, directly or indirectly in the property or securities of the Marchant Mining Company Ltd.
6. That this report is based on personal examination of the engineering records of the company and on examination of the underground development and mine records of Marbridge Mines Ltd. property on January 8-10, 1963.

A. W. Derby, P. Eng.

Dated at Toronto, Ontario

January 19, 1963.







